



Ottawa, Tuesday, March 10, 1992

Appeal No. AP-91-065

IN THE MATTER OF an appeal heard on December 17, 1991, under section 81.19 of the *Excise Tax Act*, R.S.C., 1985, c. E-15, as amended;

AND IN THE MATTER OF a decision of the Minister of National Revenue dated March 27, 1991, with respect to a notice of opposition served under section 81.17 of the *Excise Tax Act*.

BETWEEN

LA MUNICIPALITÉ RÉGIONALE DE COMTÉ DE BÉCANCOUR **Appellant**

AND

THE MINISTER OF NATIONAL REVENUE **Respondent**

DECISION OF THE TRIBUNAL

The appeal is allowed in part. The Tribunal finds that the thematic pamphlet entitled *Loisir, culture et tourisme* was distributed for the purposes of promoting tourism and that it meets the requirements set forth in section 68.29 of the *Excise Tax Act*.

John C. Coleman

John C. Coleman
Presiding Member

Kathleen E. Macmillan

Kathleen E. Macmillan
Member

Michèle Blouin

Michèle Blouin
Member

Robert J. Martin

Robert J. Martin
Secretary

UNOFFICIAL SUMMARY

Appeal No. AP-91-065

LA MUNICIPALITÉ RÉGIONALE DE COMTÉ DE BÉCANCOUR Appellant

and

THE MINISTER OF NATIONAL REVENUE Respondent

The appeal is to determine whether the thematic pamphlets prepared and distributed by the appellant to its residents are printed matter for the promotion of tourism within the meaning of section 68.29 of the Excise Tax Act.

HELD: *The appeal is allowed in part. Only the pamphlet entitled Loisir, culture et tourisme meets the requirements of the above-mentioned statutory provision, and the appellant is therefore entitled to a refund of part of the federal sales tax paid on this printed matter.*

Place of Hearing: Ottawa, Ontario
Date of Hearing: December 17, 1991
Date of Decision: March 10, 1992

Tribunal Members: John C. Coleman, Presiding Member
Kathleen E. Macmillan, Member
Michèle Blouin, Member

Counsel for the Tribunal: Robert Desjardins

Clerk of the Tribunal: Dyna Côté

Appearances: Laval Dubois, for the appellant
Christine Hudon, for the respondent

Appeal No. AP-91-065

LA MUNICIPALITÉ RÉGIONALE DE COMTÉ DE BÉCANCOUR Appellant

and

THE MINISTER OF NATIONAL REVENUE

Respondent

TRIBUNAL: JOHN C. COLEMAN, Presiding Member
KATHLEEN E. MACMILLAN, Member
MICHÈLE BLOUIN, Member

REASONS FOR DECISION

In 1990, the *Municipalité régionale de comté de Bécancour* (the M.R.C.) prepared and distributed throughout its area an information kit entitled *Connaître la M.R.C. de Bécancour*. This kit contained five thematic pamphlets entitled *Connaître la M.R.C. de Bécancour*, *Son dynamisme régional*, *L'industrie et le commerce*, *L'agriculture et la forêt*, and *Loisir, culture et tourisme*.

On September 2, 1990, the M.R.C. submitted to the Department of National Revenue (the Department) an application for refund of \$1,876.50, paid as federal sales tax on the printed matter at issue. The application was made under section 68.29 of the *Excise Tax Act*¹ (the Act), which stipulates that certain organizations or bodies, such as a government or association of municipalities, can recover amounts paid as sales tax on printed matter distributed "... to the general public without charge for the promotion of tourism" On November 20, 1990, the respondent refused the refund requested. The notice of opposition filed subsequently by the appellant on December 18, 1990, was dismissed by the Department on March 27, 1991. According to the respondent, the information kit was merely a means of providing general information primarily to the residents of the M.R.C. and was not designed for the purpose of promoting tourism.

A number of important facts came out at the hearing. The information kit, of which 10,000 copies were made, was distributed without charge to the general public within the M.R.C. directly to private homes, and by display in a number of public buildings. They were also supplied to tourist information offices and booths. The resolutions and minutes adopted by the Council of the M.R.C., as well as the general content of the information kit, showed that the main aim of the thematic pamphlets was to provide residents of the M.R.C. area with a better understanding of the economic, social, cultural and tourist features of their region and to attract people from outside the region to come discover it and, perhaps, settle there.

The appellant claimed that, in this day and age, the word "tourism" includes short trips of a duration of less than a day made within a region by its own residents. The M.R.C. also submitted that the contemporary meaning of the word "tourism" can include an overview of a region that would not be limited solely to culture and recreation, but would include as well the economic and social aspects. In addition, the appellant pointed out that, because of the geographical location of the Bécancour Region, it will never be a "tourist area" in the traditional sense of the expression. The appellant claimed that it therefore has to develop a more diversified

1. R.S.C., 1985, c. E-15, as amended.

form of tourism to please its own population as well as travellers going between Montréal and Québec.

The respondent claimed, on the basis of supporting dictionaries, that the definition of the word "tourism" must necessarily include the notions of leisure, pleasure and temporary travel away from one's normal place of residence. The respondent also claimed that a distinction must be made between documents aimed at promoting tourism in an accessory manner and true tourism documents, which are primarily informative in content and intended for persons outside the region or locality that is being promoted. It was the respondent's submission that the principal aim of the thematic pamphlets distributed by the appellant was not the promotion of tourism. He also pointed out the rather conservative character of the pamphlets and the lack of photographs, which are present in most tourism documents. Lastly, according to the respondent, if the appellant's goal had been the promotion of tourism, the emphasis would have been placed on the distribution of the kits to tourist information booths rather than to private homes.

The Tribunal finds that the principal purpose of the kit distributed by the M.R.C. was to make the resident population and casual visitors more familiar with the M.R.C. area in order to promote its economic development. However, although it is true that the definitions of the word "tourism" found in some dictionaries include the notions of leisure, pleasure and something out of the ordinary, they do not exclude the possibility of trips of short distance and duration.

Unless otherwise indicated, in examining a statutory provision, the Tribunal must give the words their ordinary meaning. For this reason, the Tribunal finds that only one of the thematic pamphlets in the M.R.C.'s information kit is truly a tourism document, specifically, the one entitled *Loisir, culture et tourisme*. In spite of its conservative appearance, this pamphlet includes a description of tourist sites and activities within the M.R.C. area and provides a map of those sites. Its key purpose, which is to encourage residents of the M.R.C. to make short tourist trips, certainly does not conflict with the ordinary meaning of the word "tourism."

In conclusion, the Tribunal finds that the thematic pamphlet entitled *Loisir, culture et tourisme* meets the requirements set forth in section 68.29 of the Act. The Tribunal therefore instructs the respondent to make a new determination to refund to the appellant the amount paid in sales tax on this pamphlet.

The appeal is allowed in part.

John C. Coleman
John C. Coleman
Presiding Member

Kathleen E. Macmillan
Kathleen E. Macmillan
Member

Michèle Blouin
Michèle Blouin
Member